
A BILL FOR AN ACT

RELATING TO THE RE-EMPLOYMENT OF RETIREES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature recognizes the changing
2 demographics of the workforce -- the workforce is aging with an
3 increasing number of state and county employees becoming
4 eligible to retire with full retirement benefits. The
5 legislature also recognizes that life spans have increased, not
6 only because of advances in medicine and technology, but because
7 people are choosing to live healthier lifestyles.

8 The legislature understands that with the low unemployment
9 rate the State is now experiencing, county governments have more
10 vacancies occurring with a dwindling number of qualified
11 applicants. The counties have many jobs categorized as hard-to-
12 fill, or as being in a labor-shortage category.

13 In 2008, an estimated 12.84 per cent of county public
14 employees are eligible to retire and by 2012, the figure is
15 anticipated to rise to 25.12 per cent. As the baby boomers
16 begin to retire, vacancies in government employment will
17 continue to increase.



1 While retired state and county employees are now permitted
2 to work for temporary periods of eighty-nine consecutive days or
3 for less than twenty hours per week without jeopardizing their
4 retirement benefits, there is no reason not to afford the county
5 governments the ability to hire state and county government
6 retirees regardless of the length of time or number of hours
7 employed, especially since they will otherwise work for the
8 private sector.

9 This Act will address the employment vacancy issue by
10 allowing county employers to recruit from the same group of
11 qualified applicants as private employers and put government
12 employers on an equal footing with private sector employers in
13 hiring state and county retirees.

14 The legislature intends that the manner in which civil
15 service and exempt positions are filled by retired state or
16 county employees and the manner in which the employed-retiree's
17 status is determined, shall be in accordance with normal
18 processes for recruiting and selecting applicants for these
19 positions. The legislature understands that for civil service
20 positions, this process will provide due consideration to
21 promotional opportunities for existing employees. To ensure the
22 continued provision of public services, the legislature supports



1 the immediate rehiring of government retirees. Further, the
2 legislature intends that the collective bargaining status of
3 these employed-retirees will be determined in accordance with
4 existing laws governing assignment to, and inclusion or non-
5 inclusion in, a bargaining unit.

6 The legislature believes this Act will strike a balance
7 between the county government's need to hire skilled and
8 qualified employees and retired state and county government
9 employees' desire to work for county governments. This Act will
10 allow retired state and county government employees to work for
11 county governments without incurring any negative retirement
12 consequences, such as the forfeiture of retirement benefits
13 already earned and being collected by employees.

14 SECTION 2. Chapter 88, Hawaii Revised Statutes, is amended
15 by adding a new section to be appropriately designated and to
16 read as follows:

17 "§88- Re-employment of retirees. (a) Appointing
18 authorities in a county may employ retired state or county
19 government employees who are receiving retirement benefits under
20 this chapter.

21 (b) Retired state or county government employees rehired
22 for civil service positions shall be recruited, selected, and



1 employed pursuant to applicable civil service and employment
2 laws.

3 (c) The human resources management chief executive of the
4 respective county in which a retired state or county government
5 employee is hired by that county shall certify the hiring of the
6 retiree as having been done pursuant to applicable civil service
7 and employment laws.

8 (d) Sections 88-21, 88-42.5, 88-43, 88-45, 88-46, 88-98,
9 88-273, 88-326, and 88-344, and any other law to the contrary
10 notwithstanding, retired state or county government employees
11 who are hired by any of the counties shall not earn retirement
12 service credit, contribute to the retirement system, or gain
13 additional retirement system benefits as a result of their
14 subsequent employment with a county and the retired state or
15 county government employee shall continue to receive the
16 retiree's retirement benefits and medical benefits without
17 penalty. Notwithstanding any law to the contrary, there shall
18 be no county employer contributions or payments to the system
19 for the retiree as that person does not earn additional service
20 credits while employed in accordance with this section.

21 (e) This section shall not preclude a retired state or
22 county government employee from returning to work and



1 relinquishing the person's retirement benefits to earn
2 additional service credits and gain additional retirement
3 benefits for a future retirement date as may be allowed by this
4 chapter."

5 SECTION 3. New statutory material is underscored.

6 SECTION 4. This Act shall take effect on July 1, 2008.

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INTRODUCED BY:

Calvin K. H. King
BY REQUEST

JAN 18 2008



Report Title:

Public Employees; Re-Employment of Retirees

Description:

Allows a county to hire retired state or county government employees without restriction as to length of employment or number of hours worked per week.

